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# Employment of Students as a Factor of the Development of Human Capital

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**Abstract.** The article states that the employment of students is one of the factors for the development of human capital. The purpose of the article is to show the influence of student employment on the development of human capital. The theoretical basis was the concepts of secondary employment, a statistical and socio-logical approach to assessing the employment of the unemployed, as well as the theory of the academic revolution.

*Research methods:* analysis of theoretical literature, foreign and domestic experience, secondary analysis of research data on secondary employment of student youth, authors' own research using the method of mass questionnaires and focus groups.

*Study results.* The results of the research prove the influence of student employment on the development of human capital in the Russian Federation. This factor has a multi-valued effect depending on the initial labor motivation, as well as on the nature of the work performed, on the degree of communication between the place of work and the specialization and job placement received in the university. A model that describes the peculiarities of the employment of students of modern Russian universities in the development of human capital is proposed.

The article makes the assumption of a change in the proportion of students oriented toward achieving practical and fast results, in the direction of increasing it. This shows a trend towards the transition of employment from the secondary to the basic category, as well as the motivation for labor relations from necessity to the form of consumption.

## 1. Introduction

The structure of human capital and, in particular, its quality are determined by the efforts and actions of the state in various spheres of regulation of the life of society. However, one of the priority areas for the formation of high-grade and high-quality human capital is the education system.

The transformations that naturally occur in the education system in connection with the transition of society to a new stage of development (information, electronic, knowledge economy, etc.) cause ambiguous consequences for maintaining the quality of human capital. For example, in the higher education system massivization and popularization are observed, which leads to a natural decline in value and quality, transparency and openness of educational models, practices and systems increase competition among educational organizations with a shift in the quantitative measurement of the quality of their activities, as well as competency approach to training specialist.

All this, to an extreme degree, leads to a change in the conditions for the development of human capital through educational systems.

One of such ambiguous factors is the so-called secondary employment of young people, implying simultaneous implementation of two main types of activities by the student - educational and labor. In



modern conditions, it requires certainty to understand the quality of the influence exerted by this factor on the formation of human capital. Therefore, the purpose of this article is to show the influence of student employment on the development of human capital.

As the object of the study, full-time students study under the bachelor and master's programs at Russian universities. Research methods: analysis of theoretical literature, foreign and domestic experience, secondary analysis of research data on secondary employment of students, authors' own research using the method of mass questionnaires and focus groups. The sample size of the authors' study was 413 students, 50 of them participated in focus groups. The selection of respondents for the questioning was spontaneous, in the subsequent the results were adjusted according to sex-age quotas, universities and training areas.

## **2. Theoretical and methodological basis for studying the phenomenon of student employment in the aspect of its influence on human capital**

For a modern society, in the conditions of the emerging knowledge economy, the global information network economy, permanent innovations, a radical change in the role of the human factor in the economy and society is characteristic. Human capital is becoming an important factor in economic growth. According to some estimates, the increase in the duration of education for one year in developed countries leads to an increase in gross domestic product (GDP) by 5-15%.

In the most general sense, human capital is the capacity and qualities that have been generated as a result of investments and accumulated by man, which, if appropriately used, lead to an increase in labor productivity and incomes.

If we adhere to a narrow interpretation of human capital, which means a set of educational, professional and qualification characteristics of existing workers, and by education to understand the process of the formation of the personality and the transfer of social experience and cultural heritage, it becomes obvious the primary role of education in the formation of human capital of a certain quality.

However, it is recommended to make a distinction between the actual human, psychological and social capital, which together represent a three-dimensional structure of capital [1]. If human capital implies educational and qualification competencies, psychological - individual psychological characteristics and tendencies to exercise labor functions, then social capital is, above all, the ability and ability of an employee to understand and be with others in a group, team, society, e.

The main components of the structure of human capital are:

education,

- production training,
- natural abilities,
- health,
- labor mobility,
- motivation for work.

Thus, the system of higher education can influence at least four structural elements from the presented: education, health, motivation for work and production training. The educational activities of the students of the basic day-time form of education are planned in such a way that it should form the basis for the formation of their qualifications, work skills, maintaining the level of health (mental and physical). This form allows young people to gradually adapt to the adult "labor" period of activity and lay the foundation for quality human capital.

The massization of higher education is one of the manifestations of the so-called academic revolution. Today, higher education ceases to be a value and wealth of talented or wealthy people, but becomes one of the consumer goals of modern man.

Between 1960 and 2005, the percentage of US high school graduates attending college increased from 45% to 65 to 70% [2]. In Canada, McIntosh [3] notes that post-secondary education increased six-fold from 1961 to 1997. The highest participation rates in Ireland, Denmark, Spain and Norway are about 60% or more [4]. During the period from 1989 to 2014, the population of Russia, which received higher education, more than doubled, and the total number of universities in the country in-

creased from 514 in 1991 to 896 in 2015[5]. Especially these changes affect the age cohorts of young people under the age of 25, that is the main contingent of those who form the basis of human capital.

The discrepancy, the discrepancy between the sphere of education and the labor market now leads to quantitative and qualitative disproportions at the latter. This discrepancy manifests itself in the shortage of personnel, especially skilled, in the discrepancy of the qualifications of workers with the requirements of the workplace, mass employment not in the specialty. [6]

Recently, the system of higher education employs a competence approach, according to which the labor practices of students allow them to quickly learn in the profession and reduce the time for "immersion" in the workplace after graduating from the university. The employment of students as a new trend and even demand began to be considered by theorists and practitioners in the mid-2000s.

In the new educational paradigm, competences have become a reference, on which the education of university students has been organized, planned and evaluated, and therefore quality agencies introduced new criteria related to the possibility of finding employment in the evaluation of academic programs [7].

According to all-Russian polls, almost half of the heads of enterprises believe that vocational education in Russia does not correspond to their ideas about its necessary modern level [8]. The number of specialists who work not in the specialty obtained in an university in 2012 was only 42.5% [6]. It is interesting that there is a fundamental difference in understanding the situation between representatives of educational institutions and employers. The university experts are convinced that the quality of education in their educational institution and high reputation is the most important position, which significantly distinguishes their university from other higher educational institutions. However, when answering a question about whether a graduate can immediately become a qualified specialist on the basis of knowledge and skills obtained at the university, the opinions of experts - representatives of higher education institutions become more restrained. Only a third is convinced of this, and two-thirds believe that graduates need additional professional training. [9]

One way to overcome this discrepancy, in our opinion, can be the employment of students, the entry of young people into the labor market even while studying. This, in principle, gives the student the opportunity to master the theory in the university and, at the same time, to gain practical skills at work, hence, contributes to the development of human potential and human capital.

### **3. Studying the impact of secondary employment of students on the formation of human capital**

The study of Chinese scientists on the impact of the political status and experience of students at different levels on their competitiveness in finding employment on the basis of the three-dimensional structure of capital is interesting [10]. So, according to their findings, the highest indicators for human capital were college graduates - party members, the least - those students who simultaneously worked during the study at university or college. Thus, one of the hypotheses is the negative impact of the employment of students on the quality of human capital.

Studies of Russian scientists also lead to similar conclusions. For example, few studies have shown that non-working students differ somewhat in their academic performance than those who are employed [11]. Gerchikov V. deepens these conclusions by dependence on the profile of education: for example, in students of economic, sociological, managerial specialties, mainly depends not on the fact that they have regular work, but on their personal qualities; the students of technical and natural science professions have a much lower depth of knowledge than those who are unemployed [12].

The scale of employment of full-time students in higher education institutions varies considerably from 25% [13] to 50% [14]. In the study, which the authors conducted in the period from September 2017 to May 2018, 80% of students worked or worked on average, while 54.4% of them, that is half - work without official registration. This also has a negative impact on the development of professional capacity, since does not give such an important official length of service. Over time, the age of the beginning of work activity is reduced, so, in the early 2000s, the students of the senior courses had to

resort to work, increasing their professional potential, today, according to our research, 55% of respondents work at school, 27% in the first year.

An analysis of where and by whom students work, allows you to assess whether students help to expand the competencies obtained at the university and gain practical experience. According to some studies., since 2000 the work of students in science and research sectors of universities has dramatically decreased, they are almost not in industry now, but their employment in all types of trade, in a growing network of restaurants, has grown tens of times compared to Soviet times, various types and forms of marketing activities, certain types of services (especially in advertising and computer), financial sphere [15]. his conclusions can be confirmed by the data of our study: the main sphere of employment of working students is the sphere of trade and services (mainly due to the lack of requirements for length of service and education) - 62% of respondents indicated it as such. 14% of students have jobs in the future profession, the rest are either engaged in specific areas of work, for example, crafting their own goods or products, or in freelancing (writing jobs, blogging) or referring to self-employed (by providing consumers various services).

The main results indicate the following trends - more than half, in 63.6% of respondents their work does not correspond to the specialty received at the university. Full compliance was noted only by 13.6%, and partial compliance with another 20.5%, i.e. third of respondents.

Most of the professions offered to students in the labor market today are poorly qualified and are not related to the professional competencies formed in the university. Thus, it is not necessary to talk about the serious and universal, mandatory positive impact of combining work with study on the professional potential of students. But perhaps, it seems possible to talk about the positive impact of employment on general skills important for work. Developing responsibility, the ability to plan time, contact with management.

Important in assessing the impact of student employment on the development of human capital are the motives, the purpose of their employment beyond the main educational.

Among them, unequivocally the material interest predominates, and not the desire to master the profession better. So, for example, it is possible to note the decline in the purchasing power of the scholarship more than 6 times, starting from the 80s of the 20th century. According to our research, the main motive of the students' work was material - 84.1% of respondents chose the option "we need money". At the same time, 60% of them earn to pay for their studies at the university. Taking into account the fact that their work is often not related to the future profession, there is an absolute ineffectiveness of such employment, which leads to sad consequences with regard to the quality of human capital. However, motives, important for professional development, gained a lot of votes. "We need experience and experience" -37.4%, "get connections" -15.9%, "gain a foothold in the enterprise" - 11.4%, and, finally, "start a similar business" -2.3% .. Thus, from the sum of all motives in 178.4% (in this question it was possible to choose up to 3 variants of the answer, therefore the amount is more than 100%), motives related to the recruitment of professional competencies are 67%.

Summing up, the main motives and objectives of secondary employment of students can be reduced to the following:

- 1 (the most significant). The need to earn a living and education.
2. Student's concern for his postgraduate employment, a conscious contribution to his career and career:
3. The desire to keep up with friends who mostly work
4. Desire to take something of your time and head, underloaded in the process of studying;
5. The inherent desire of youth to do something new, different from the constant and order of already bored learning.

Employment with the objectives of the execution of course and diploma work in modern students has almost disappeared, rather the opposite - the subject of these works is chosen so that the student could easily perform it on the place where he works.

The role of the university in employment after the university and during studies. The employment of full-time students in most universities is perceived negatively or, at best, neutrally. Meanwhile,

higher education institutions should have a high interest in ensuring that students, after graduation, find a better job faster, because the indicator of the employment of graduates is one of the main criteria for assessing the effectiveness of an institution, an important condition for state accreditation. Having experience and official experience are good assistants in this. "Students and students who earn money during their studies get jobs faster. More than a third of them (37.3%) start working immediately after graduation, often continuing to work at the same place as during the training. "[14.] The average duration of job search is 9 months [14]. In our pilot survey, the respondents who combined their studies at the university with work spent only 1-2 months to find work after graduation. Only one of the 41 respondents needed 7 to 11 months. Another respondent was delayed for 1 year, and two respondents were able to get a job only one year after graduation. Thus, only 10% of our respondents looked for a job for a long time. But the majority got a job very quickly: 21 people in the first month after receiving the diploma, 12 people - in 1 - 2 months, 4 - in 3-6 months. The respondents themselves explained this success by the fact that they were still in the process of studying at the university and combined their studies with work, and by the time they graduated they all had an official work experience.

Of the 50 respondents who participated in focus groups, 42 graduated from the state university, which should be interested in ensuring that its graduates quickly get a job in the specialty, if only because the employment of graduates is an important indicator of state accreditation. Nevertheless, the overwhelming majority responded that the university did not help in finding a place to work. Two noted that in their university there was an opportunity to get help in finding a job, but did not specify which one. 4 respondents said that the university helped future graduates to find employment by organizing meetings with employers, 2 more respondents - by providing good places for practice. In addition, 1 person noted that the university was trained in self-presentation skills, which contributed to his success at interviews with employers.

We believe that the role of the university in job placement and the regulation of students' work both during study and after graduation must be drastically expanded so that the combination of work and study really becomes a full-fledged factor in the development of human capital .. Job fairs, including for work in time of study, and not just after graduation, already entered the daily practice of many universities. For example, very useful for the possibility of combining study and work, there would be a simple schedule stability. It is possible to provide a free schedule after the end of the second year of the Bachelor's degree, at least to those students who work in the workplaces connected with the specialty they receive.

Very interesting experience of the University of Bonn to help students in employment. On the university's web portal of vacancies there are 38 thousand announcements, separately-vacancies in the university itself, including for students. Any firm can add to them their vacancy after registration. There are 3 organizations at the University whose purpose is to support students and graduates at the stage of choosing a profession, in the process of studying, in finding a job. The University (special research department) constantly monitors the demand for professions of the university, opening new directions, expanding the number of places on popular and closing inefficient specialties. Bonn University offers students the opportunity to acquire additional qualifications that can be useful in finding a job: foreign languages, computer programs, oratory, self-presentation skills, competent conflict resolution, etc.

#### 4. Conclusion

Summarizing the work done, we can say that the problem of secondary employment of students and their subsequent employment is one of the topical problems of the 21st century.

Using the focus group method, it was possible to identify career strategies for graduates, such as the age at which students began to work for the first time and places of employment. For the first time students started earning money at school age, at the university it is 1 or 2 courses. Workplace students during this time changed on average from two to six times. The work was related to the sphere of trade

and services, administration, self-employment, freelancing and production. The main motivation for employment is economic reasons and the desire to be independent of parents. At the end of the university, one third of the students do not plan to stay in the sphere they were engaged in.

The employment of students can improve the quality of human capital by changing the professional potential of students, both in the academic sphere and in the workplace. However, in those forms in which the labor employment of students is realized today, this does not happen. The employment of students is spontaneously formed and is directed by economic and material motives, which, on the whole, leads to large-scale inefficiencies in the labor market and the educational sphere, a decrease in labor productivity and the potential for economic growth.

For the transformation of employment into a factor in the growth of human capital, the interest of higher education institutions in its organization is needed, active help in finding vacancies, and easing the opportunities for students to combine study and work.

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